

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF WEST VIRGINIA
CLARKSBURG DIVISION

In re:

FAIRMONT GENERAL HOSPITAL, INC.,
et al.,

Debtors.

Case No. 1:13-bk-01054

Chapter 11

Jointly Administered

**NOTICE OF NO ADDITIONAL QUALIFIED BIDS
AND CANCELLATION OF AUCTION SALE**

Fairmont General Hospital, Inc. and Fairmont Physicians, Inc., Debtors in these administratively consolidated cases, submit the following notice concerning the status of the sale process and procedures related to the Debtors' pending motion to sell substantially all of their assets pursuant to 11 U.S.C. § 363:

1. On May 9, 2014, the Debtors filed their Debtors' Motion for Orders: (I) Approving the Asset Purchase Agreement with Alecto Healthcare Services Fairmont LLC; (*and other relief*) [Docket # 677] (the "Sale Motion"). In the Sale Motion, the Debtors seek authority to sell their assets to Alecto Healthcare Services Fairmont, LLC ("Alecto"), subject to certain procedures designed to allow additional bids from qualified bidders and an auction sale of the assets thereafter.

2. On May 20th, 2014, the Court entered its order approving bidding procedures and related matters associated with the sale process [Docket # 714] (the "Bidding Procedures Order").

3. Pursuant to the Bidding Procedures Order, parties wishing to participate in the sale process as prospective buyers were required to submit "Qualified Bids" (as defined in the Bidding Procedures Order) by noon (prevailing Eastern time) on June 12, 2014 (the "Bid

Deadline”). The Bidding Procedures Order further provided that if one or more additional Qualified Bids were received before the Bid Deadline, the Debtors would conduct an auction of the Debtors’ assets on June 17, 2014, in Wheeling, West Virginia.

4. As of the Bid Deadline, no additional Qualified Bids had been received from any parties.

5. Prior to the Bid Deadline, the Debtors received one (1) bid package from Monongalia Health System, Inc. (“MHS”). After consultation among the Debtors, their advisors, the Official Committee of Unsecured Creditors, and the Indenture Trustee, the Debtors advised MHS that its bid did not constitute a Qualified Bid pursuant to the Sale Motion or the Bidding Procedures Order because the bid only sought the purchase and sale of certain real property known as the Connector Property, rather than the purchase and sale of substantially all of the Debtors’ assets.

6. Therefore, in the absence of additional Qualified Bids received before the Bid Deadline and pursuant to the Bidding Procedures Order, the Debtors will not conduct the auction originally scheduled for June 17, 2014. The Debtors will proceed to the hearing on June 23, 2014 for the approval of the sale to Alecto and ask the Court to approve the Alecto sale in accordance with the Sale Motion and the Asset Purchase Agreement between the Debtors and Alecto.

7. Pursuant to the Bidding Procedures Order, this notice constitutes the supplement to the Sale Motion required to be filed by the Debtors identifying the Successful Bidder for the Assets. Because Alecto is the only Qualified Bidder, Alecto is the Successful Bidder and no auction need be, or will be, conducted. The June 17, 2014 auction is cancelled.

Dated: June 16, 2014

/s/ Rayford K. Adams III

Rayford K. Adams III (NC Bar No. 8622)

Casey H. Howard (NC Bar No. 42930)

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CERTIFICATE OF SERVICE

I certify that on June 16, 2014, I electronically filed the foregoing *Notice of No Additional Qualified Bids and Cancellation of Auction Sale* with the United States Bankruptcy Court for the Northern District of West Virginia. Epiq Bankruptcy Solutions, LLC will serve this filing on the Core Group and will file a certificate of service of same with the Court in a timely manner.

Dated: June 16, 2014

/s/ Rayford K. Adams III

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